

FILE COPY

84
119795
25448
02378

BF
IA

~~0551~~
1730

Brig. Gen. Guthrie L. Turner, Jr.
Commander
Madigan Army Medical Center
Tacoma, Washington 98431

Dear General Turner:

Subject: Improved Procedures to Identify Active Duty Army Personnel
in Civilian Medical Treatment Facilities Can Reduce Costs
(GAO-HRD-82-96).

The General Accounting Office recently conducted a limited review at Madigan Army Medical Center (MAMC) to determine whether savings were being achieved by timely transfer of active duty personnel hospitalized in civilian hospitals to Federal medical treatment facilities (MTF). We found that such transfers did not always occur, because MAMC frequently was unaware that Army personnel were in civilian hospitals until after they were discharged. This occurred because Army personnel were not following established procedures, which required them to notify the appropriate Army MTF, in this case MAMC, when care from civilian sources was obtained without prior authorization. MAMC has taken positive actions to solve this problem by planning briefings for Army personnel in the area and by publicizing Army policies and requirements to civilian hospitals. We believe these actions should be repeated on a periodic basis to maintain an awareness of Army requirements.

Under current regulations, the Army is authorized to pay for care from civilian sources when it cannot be provided by a Federal MTF (para. 17-1, AR40-3). When an active duty member is hospitalized in a civilian hospital, the medical commander in whose assigned geographic area the patient is located assumes administrative responsibility for that person (para. 18-2, AR40-3). When an active duty member obtains civilian medical care without prior authorization, the patient's immediate commander is responsible for advising the appropriate approving authority. When a member on leave, pass, or temporary duty, obtains civilian medical care, the member is responsible for notifying the medical center commander in the area where the care is being provided (para. 17-7a (2)(d), AR40-3). Prompt contact should occur between a physician at the responsible Army MTF and the attending civilian physician to determine the patient's condition and the feasibility of evacuation to a Federal MTF (para. 18-2a(1), AR40-3).



119795

023785

Contrary to current Army procedures, we found that MAMC usually learned that an active duty member was in a civilian hospital only after the member was discharged. We reviewed all cases for which vouchers were processed during calendar year 1981 on patients hospitalized more than 5 days. In 24 of the 30 cases and claims ranging from \$1,300 for an infected elbow to \$22,550 for heart surgery, MAMC knew nothing of the hospitalization before the patient was discharged.

We asked the assistant chief, Patient Administration Division (PAD), to review 26 of the 30 cases with appropriate MAMC personnel to determine which cases could have been transferred to a Federal MTF. We determined that the other four cases had no transfer potential because of severe medical conditions. MAMC officials concluded that 5 of the 26 patients could not have been transferred to a Federal MTF because of their serious and unstable medical conditions or because the care was preauthorized. They identified two cases that definitely could have been transferred. The remaining 19 cases were difficult to evaluate, because MAMC lacked sufficient information regarding the patients' medical conditions. For most of these cases, MAMC had limited or no medical reports on the care provided other than the detailed billing statements. However, the assistant chief, PAD, said that some of the 19 cases could probably have been safely transferred to a Federal MTF before their discharge from the civilian hospital.

MAMC was generally unaware when active duty members were patients in civilian hospitals because neither active duty members nor their immediate commanders were routinely contacting MAMC as required by Army regulations. A unit commander contacted MAMC in only one of the six cases where MAMC received notice of an active duty member in a civilian hospital. In four other cases, the civilian hospital physician made the notification while either inquiring about transferring the patient or seeking consultation with MAMC physician. The sixth case had MAMC's advance authorization for civilian care.

Unit commanders and other active duty members need to be reminded of their responsibilities to notify MAMC when care from civilian sources is obtained without prior authorization. According to MAMC personnel who process claims for care from civilian sources, considerable confusion exists among active duty members regarding their medical coverage. Many active duty members apparently believe they are covered by CHAMPUS and they are unaware of the procedures and requirements applicable to receiving care from civilian sources, including the requirement to notify MAMC. The assistant chief, PAD, told us that future health briefings for unit commands will include a discussion of these notification procedures.

Contacts with civilian hospitals can be another important source of information. Before our audit, MAMC was not routinely notifying

civilian hospitals of MAMC's administrative responsibilities and transfer policies. As a result of our discussions, PAD is sending a letter to all civilian hospitals in its area of responsibility explaining MAMC's administrative responsibilities for active duty military personnel and requesting that those hospitals immediately notify MAMC when they admit any active duty Army personnel.

We believe that the steps that MAMC personnel have taken will help reduce the number of cases when MAMC is unaware of active duty patients in civilian hospitals. This should also reduce the number of patient days of care in civilian hospitals billed to MAMC for payment. We suggest that you require that the briefings to unit commands on notification procedures and the letter to civilian hospitals be repeated on a periodic basis.

- - - - -
We appreciate the cooperation and courtesies extended to us by MAMC personnel. We are available to discuss further the points raised in this letter if you desire. Please advise us of your views on this matter.

Sincerely yours,

~~WALTER H. HENSON~~

Walter H. Henson
Regional Manager